ACTIVITIES AND OUTCOMES REPORT

INTRODUCTION

This Report sets out the stewardship activities J. Stern & Co. undertook between 1 January and 31 December 2025 and the outcomes they achieved. All figures and examples relate to that period unless stated otherwise. It should be read alongside our Policy and Context Disclosure, which describes our investment approach, stewardship policies and governance.

During the year, we continued to strengthen our ESG capabilities, expanding the team and drawing on specialist data providers to sharpen and broaden our analysis. We identified four priority sustainability themes (Energy; Minerals; Water; and Nutrition, Wellness & Food Systems), which inform both our ESG analysis and our engagement priorities. In July 2026, we published our second Task Force on Climate-related Financial Disclosures (TCFD) report, based on portfolio data as at 31 December 2025. The report sets out how we incorporate climate-related risks and opportunities into our governance, strategy and risk management. Our UN PRI assessment results improved, achieving five stars in Listed Equity (Active Fundamental) and scoring above the peer median across all four modules.

In 2025, we engaged with investee companies on 136 occasions on topics including capital structure, strategy, operational performance and ESG matters, and in over 37% of these we spoke directly with C-suite executives or senior management. During the year, we voted on 921 resolutions at the AGMs of 50 companies, covering 100% of shares for which voting rights were available, and voted against the board's recommendation on 33 occasions in line with our voting principles. We also continued to add our voice to collaborative industry initiatives addressing systemic issues, including through our participation in the 2025 SASB standards consultation.

We will continue to build on this progress in the years ahead.

Katerina Kosmopoulou, CFA
Head of ESG

Rian Cook
Senior ESG Analyst

PRINCIPLE 1. SIGNATORIES INTEGRATE STEWARDSHIP AND INVESTMENT TO DELIVER LONG-TERM SUSTAINABLE VALUE FOR THEIR CLIENTS AND BENEFICIARIES.

Stewardship is integral to our investment process, which rests on independent, in-house fundamental research. We combine traditional financial analysis, with our ESG Framework to confirm that each company meets our definition of quality: a strong and sustainable competitive position in a good and growing industry, management with a track record of value creation, and a balance sheet able to withstand adversity. We regard ESG as integral to that assessment and integrate it fully with our analysis of each company's competitive moat.

Our ESG Framework builds on the SASB (Sustainability Accounting Standards Board, now part of the IFRS Foundation) materiality map and assesses alignment with the UN Sustainable Development Goals, compliance with global norms such as the UN Global Compact and OECD Guidelines, and any ESG-related controversies. We focus on the issues most material to each company's performance and how effectively management and the board address them. We use third-party data to inform our views but do not rely on external ratings.

The analysis is carried out at issuer level by our ESG analysts together with the analyst covering each stock or bond, applied across our equity and fixed income holdings, and updated annually or sooner where material changes arise. The same analysts lead engagement and voting, so insights from stewardship are shared across the investment team and feed directly back into investment decisions. Stewardship is conducted entirely in-house, and our approach does not differ across funds, asset classes or geographies.

Our investment horizon for listed equities is typically five to ten years, and our fixed income holdings are primarily short-dated, at three to five years. We nonetheless consider longer-term ESG risks across both, in case they materialise sooner than expected or the regulatory environment changes. Our full approach is set out in Section C of our Policy and Context Disclosure; the developments below summarise how it evolved in 2025.

Key 2025 Developments

Throughout 2025, we continued to refine our ESG Framework, focusing on how sustainability themes translate into financial risks and opportunities for our holdings, against a fast-evolving regulatory backdrop.

We identified four priority sustainability themes: Energy; Minerals; Water; and Nutrition, Wellness & Food Systems. We mapped each theme to relevant holdings, assessed the risks and opportunities it creates, and used the results to inform both our ongoing ESG analysis and our engagement priorities.

These themes were increasingly reflected in the 2025 AGM season. We supported resolutions requesting enhanced disclosure on environmental risks at two of the world's largest food and beverage companies, and a resolution at Amazon requesting disclosure on the impact of data centre operations on its climate commitments. We see this as a key issue for hyperscalers, given the demands that AI deployment places on critical minerals, power and water.

In total, in 2025 we voted on 921 resolutions at the AGMs of 50 companies and voted against the board's recommendation on 33 occasions. We voted on 100% of shares for which voting rights were available during the year.

In 2025, we engaged with our investee companies, both in our capacity as shareholders and bondholders, on 136 occasions on capital structure, strategy, operational performance and ESG matters.

We participated in the 2025 SASB standards consultation (see Principle 2) and will incorporate relevant changes into our Framework once the update is finalised.

In July 2026, we published our second TCFD report (see Principle 2). Over the coming years, we intend to deepen the quality and coverage of our climate metrics and to explore new areas of analysis, including physical climate risk scenario analysis.

Looking ahead, we will broaden our collaborative climate engagement through our CDP and IIGCC memberships which we joined in early 2026, and we are closely monitoring the EU Omnibus package, SFDR 2.0 and wider ISSB adoption, each of which may affect our own and our holdings' reporting obligations.

More information about our approach to sustainability can be found on our website at www.jsternco.com/sustainability.

PRINCIPLE 2. SIGNATORIES IDENTIFY AND RESPOND TO MARKET-WIDE AND SYSTEMIC RISKS TO PROMOTE WELL-FUNCTIONING FINANCIAL MARKETS.

Assessing Market-wide and Systemic Risks

As bottom-up investors, we consider short-term geopolitical and macroeconomic factors, such as currency or interest rate movements, as unlikely to affect the long-term value of our equity investments, although they can cause significant short-term market dislocation and we monitor them accordingly. For our short-duration bond holdings, these risks, including sovereign risk, are fully incorporated into our investment analysis.

We conduct regular risk reviews of our core strategies to ensure that their risk profile remains within the desired parameters. We use Bloomberg's risk analysis system, which includes scenario-testing, to evaluate key short-term market risks, including energy market dislocation, significant currency movements and broader financial shocks. We manage sector, geographic and factor exposures dynamically so that no single parameter can disproportionately affect the performance of our strategies.

Regular macroeconomic meetings bring together our investment and client teams to assess global economic conditions and the effect of fiscal and monetary policy decisions across asset classes.

Beyond macroeconomic risks, systemic risks can have a lasting impact across industries and economies. We incorporate these into our assessment of current and prospective investments.

Climate Change

A critical part of our assessment is how companies address climate change at a strategic level.

Transition risks from Climate Change

To assess transition risk, we analyse investee companies' Scope 1 and 2 GHG emissions, both in absolute terms and relative to peers. We expect transparent and comprehensive reporting, including Scope 3 emissions where relevant to the industry, and we scrutinise the quality of reported data, cross-referencing it against modelled emissions where available. Companies with high absolute and revenue-adjusted emissions may be more exposed to the regulatory and market changes associated with the transition to net zero.

We assess how well these risks are managed, including the quality of emissions reduction targets and whether they have been validated by the Science Based Targets initiative, which we regard as evidence of organisational commitment. We monitor progress against these targets annually.

Direct and Indirect Physical Climate Risks

We also assess exposure to acute and chronic physical climate risks. These risks are longer-term in nature but could materially affect specific holdings, so we assess how effectively companies manage them, particularly in the Agriculture, Food & Beverage and Infrastructure sectors.

Where we have concerns about a company's ability to manage climate-related issues effectively, we engage and monitor progress in line with our engagement policy.

TCFD Report Findings

Our second Task Force on Climate-related Financial Disclosures (TCFD) report, published in July 2026, covers the World Stars Global Equity and Emerging Market Debt Stars strategies, which together represent 84% of our AUM. Based on holdings as at 31 December 2025, the World Stars strategy had a carbon intensity of 19.8 tCO2e per US$ million of revenue, 75% lower than the

iShares MSCI World ETF. 74% of the portfolio has either achieved net zero or set a net zero emission reduction target, and all holdings were assessed by the LSE Transition Pathway Initiative (TPI) at Level 3 or above, indicating verifiable progress towards net zero.

The Emerging Market Debt Stars strategy draws on a universe with greater exposure to carbon-intensive sectors. Its carbon intensity was 381.8 tCO2e per US$ million of revenue, 1% below the iShares J.P. Morgan EM Corporate Bond ETF, although data coverage was lower (69% vs 90% for the benchmark). 52% of the portfolio has set a net zero emission reduction target, and 14 of the 41 holdings assessed by TPI scored Level 3 or above. Encouraging more comprehensive climate disclosure among the remaining companies remains an engagement priority.

Other Systemic Risks

Heightened geopolitical uncertainty can have long-term structural implications, including dislocation of global supply chains, loss of access to key raw materials and restrictions on the sale of national security-sensitive products to some markets. This came into focus in April 2025, when the US administration's tariff announcements raised concerns over inflationary pressures and whether companies would absorb the additional costs or pass them on to their customers. We assessed the likely impact on inflation and growth across key economies and mapped our holdings' sales and production footprints to gauge the effect of tariffs on their competitiveness and earnings.

The rapid acceleration of investment in Artificial Intelligence (AI) has far-reaching implications for the global economy and society. AI could boost productivity, accelerate innovation, optimise natural resource use and improve healthcare, education and decision-making; it could also disrupt entire industries, cause significant labour market dislocation and have unintended social and political consequences. In the shorter term, the ability to monetise an unprecedented level of capital investment, often by emerging players, presents additional risks. We have conducted an initial assessment of the likely impact of AI across sectors, weighing the pace of adoption, potential economic benefits and disruption risks, and examined the implications for each of our holdings. Given the pace of technological development, we treat this as an ongoing analysis and revisit it as the landscape evolves.

Collaboration with Other Stakeholders

We collaborate with other stakeholders to promote well-functioning financial markets, including through the industry initiatives set out below.

As industry norms on stewardship and sustainability continue to evolve, we engage with industry bodies, including the UN PRI and the IFRS Sustainability Alliance, and maintain a dialogue with investors in our managed accounts and funds, financial intermediaries and consultants, to ensure our approach reflects current standards and stakeholder expectations.

Sustainable Accounting Standards Board (SASB) / IFRS Sustainability Alliance

We believe the establishment of the International Sustainability Standards Board (ISSB) under the IFRS Foundation has been a significant milestone in simplifying and standardising sustainability reporting. As Alliance members, we have participated in webinars charting the development and implementation of the standards, and we promote ISSB-aligned disclosure among investee companies.

Principles for Responsible Investment (PRI)

We are signatories to the UN-supported Principles for Responsible Investment (PRI). As systemic issues such as climate change pose an increasing threat to market stability and economic prosperity, we believe collective and proactive action by the global investment community will be key to mitigating and adapting to their impact. We regularly participate in PRI webinars to stay informed

of responsible investment best practice, emerging sustainability issues and developments in the investment industry.

We remained a PRI signatory in 2025 and improved our scores relative to our 2023 assessment. We achieved five out of five stars in Listed Equity (Active Fundamental), reflecting strong ESG integration supported by comprehensive policies and practices, and four stars in each of the remaining three modules: Policy Governance & Strategy, Fixed Income (Corporate) and Confidence Building Measures. We scored above the peer median across all four modules, providing valuable external validation of our ESG processes.

Outcomes

In 2025, we continued to build on our collaborative engagement efforts. We focused on initiatives that address systemic issues, are highly relevant to our investee companies given their business activities or contribute to the proper functioning of financial markets.

IFRS Sustainability Alliance

We joined the IFRS Sustainability Alliance (formerly the SASB Alliance) in 2021, which promotes harmonised corporate disclosure standards. In 2025, we participated in a consultation to enhance the SASB Standards, with the aim of clarifying industry descriptions and sharpening narrative disclosures around targets and performance. We advocated for amendments that would encourage more decision-useful information, including the disaggregation of PM10 into PM2.5. This is important because PM2.5 is regarded as the most critical measure of air quality and is more closely linked to environmental and public health risks, making the data more meaningful for investors. We believe these changes would improve the consistency and comparability of disclosures. We now await the final draft of the revised standards, which is expected to be published in late 2026.

Business Coalition for a Global Plastics Treaty

In 2022, we became a member of the Business Coalition for a Global Plastics Treaty, convened by the Ellen MacArthur Foundation and WWF. We endorse its vision statement, which seeks to tackle the plastic pollution crisis in a globally coordinated way. We attended webinars and contributed to signatory surveys throughout the year. INC-5.2 was held in August 2025, but after 10 days of negotiations, talks were adjourned without consensus on a treaty text. We continue to support the process in 2026: at INC-5.3 in February, a new Chair of the Intergovernmental Negotiating Committee was elected in an effort to revive negotiations, and we remain hopeful that they will lead to a legally binding treaty.

Ceres' Valuing Water Finance Initiative

In 2023, we joined Ceres' Valuing Water Finance Initiative, an investor-led effort to engage with high water footprint companies. During the year, we attended a series of webinars, including broader discussions on the link between AI-related infrastructure and water use. These insights are incorporated into our ongoing analysis of environmental and climate-related issues.

Beyond these initiatives, we continue to explore further collaboration with peers and other organisations, including NGOs, consistent with our resources and capabilities as a boutique asset manager.

PRINCIPLE 3. SIGNATORIES ENGAGE TO MAINTAIN OR ENHANCE THE VALUE OF ASSETS.

Engagement is central to how we protect and enhance the value of our clients' assets. Our analysts engage directly with investee companies, as shareholders and bondholders, through meetings, correspondence and voting. We prioritise according to the size of our exposure, the urgency and potential consequences of the issue, and the opportunity to strengthen ESG practices. Typical topics include strategy, capital allocation, M&A, remuneration, ESG disclosure, and environmental and social matters. We engage collectively where a common voice is likely to be more effective. Our full engagement policy is set out in Section C of our Policy and Context Disclosure; our activity and outcomes in 2025 are summarised below.

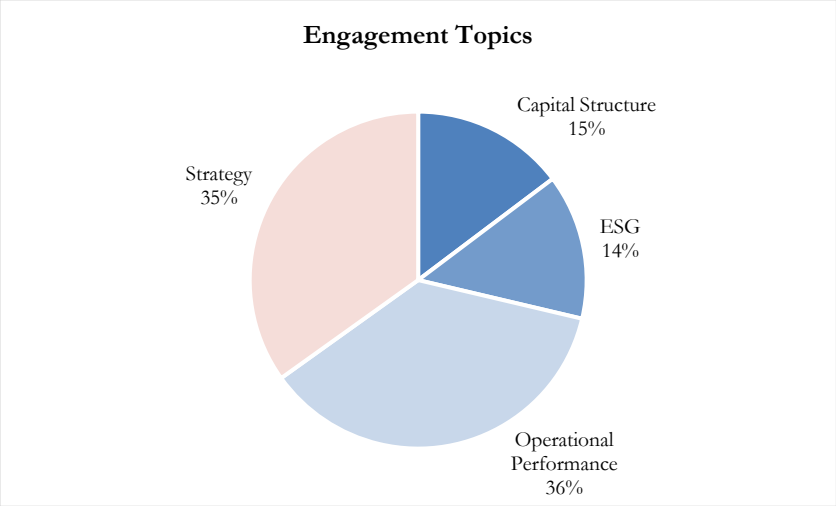
The purpose of engagement is to support decisions that maximise the long-term value of the securities we hold and to ensure that investee companies remain alert to material risks, including environmental and social risks. It allows us to test the investment thesis, scrutinise whether strategy is being executed with an appropriate level of risk and assess the effectiveness of oversight by the board and its committees, giving us an additional perspective on the quality of management.

When engaging collectively, we remain alert to conflicts of interest, inside information and concert party rules, and involve our legal and compliance team where any such risk arises.

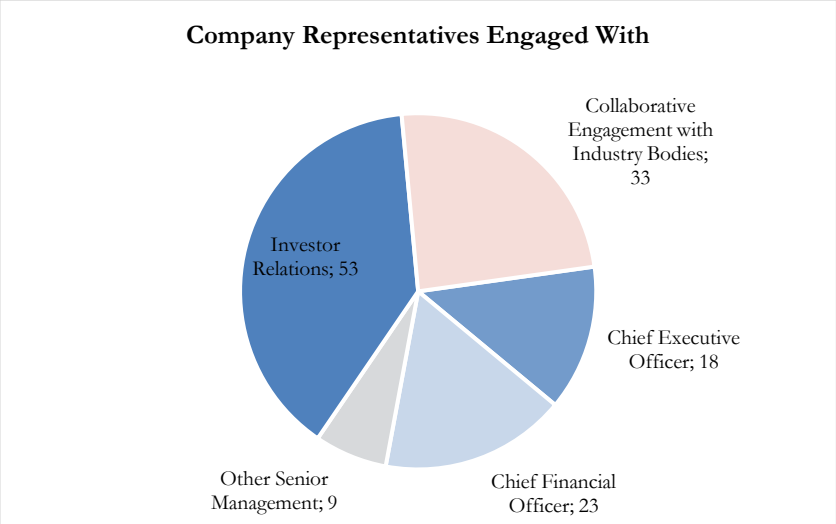
Outcomes

In 2025, we engaged with our investee companies, both in our capacity as shareholders and bondholders, on 136 occasions on capital structure, strategy, operational performance and ESG matters. This compares with 103 occasions in 2024.

On ESG, our focus included transparency in sustainability reporting, the link between executive remuneration and ESG targets, decarbonisation commitments, and water scarcity risks and mitigation plans.



In over 37% of these engagements, we spoke directly with C-suite executives and/or senior management.



Examples

ASML

In 2025, we met ASML on four occasions to probe its strategy and growth opportunities. ASML is the world's leading supplier of semiconductor lithography equipment, and it is benefiting from strong demand for its high-end EUV machines used in advanced logic and memory manufacturing. A key focus of our discussions was the company's role in the AI infrastructure build-out, where higher intensity of lithography in advanced processes is driving increased equipment demand.

We also scrutinised ASML's exposure to China and the outlook for its machinery in the region. The company also shared updates on operational improvements, including the greater use of AI internally, which has helped to provide faster delivery times, and accelerated product launches. These discussions reinforced our conviction that ASML is well positioned to benefit from the continued expansion of AI.

Honeywell

In 2025, we met Honeywell's CFO, Mike Stepniak, at a critical juncture for the company ahead of its separation into three entities. This built on prior meetings with the company's CEO Vimal Kapur.

We probed progress on the separation and further portfolio optimisation initiatives, including plans for its quantum computing business. We reviewed strategic priorities for the Aerospace and Automation businesses post separation and went over key operational initiatives, including efforts to accelerate the pace of new product introductions across the group.

We were encouraged by management's clear focus on realising shareholder value and its progress against key strategic priorities. The meeting reinforced our conviction that Honeywell is an underappreciated industrial asset with visible catalysts ahead.

IHS Towers

In 2025, we engaged with IHS' management and IR team multiple times on how to optimise the company's capital structure and the potential for recovery in its operations in Nigeria given the volatility in the local currency, the Naira. We also explored the potential for issuing bonds in local markets to align the company's capital structure with recent changes to some of its contracts which effectively increased the local currency component. We encouraged the company to remain active in extending the maturity profile of its bonds and deliver on its debt reduction plans.

A full report on our engagement activities during the reporting year is available at https://www.jsternco.com/sustainability.

Escalation

Where concerns persist after initial engagement, we may escalate by writing to the board or relevant committee, voting against resolutions, acting with other investors, making public statements or, ultimately, reducing or exiting the position. We determine the approach case by case.

Outcomes

Sika, the Swiss construction chemicals group, is a long-standing holding in our World Stars Global Equity strategy. Although Sika continued to gain share and deepen its competitive moat in a challenging construction market in 2025, its guidance proved too optimistic as conditions weakened. In light of the shares' de-rating, our engagement objectives were to press for clearer communication with investors and to encourage a more transparent capital allocation framework.

During 2025, we met the CEO and CFO on several occasions to probe end-market trends, the outlook for China and, later in the year, the newly announced Fast Forward efficiency programme. Through a shareholder perception study conducted on the company's behalf, we highlighted Sika's execution and innovation strengths but recommended improvements to its investor communication.

In January 2026, we discussed some of these issues with the Chair, Thierry Vanlancker. The Chair acknowledged that Sika may perhaps have been too slow to recognise changing conditions and outlined initiatives to address this. We have since followed up with the CEO and CFO to probe the company's investments in AI-enabled data systems capabilities.

We have also continued to challenge management on the deployment of surplus cash through the cycle, in particular the relative merits of share buybacks and acquisitions. Management highlighted the strong returns achieved on bolt-on acquisitions and stressed the importance of a consistent, growing dividend and a prudent balance sheet. While we recognise the value of acquisitions, we argued that at current valuations buybacks also offer an attractive return, and that a more clearly articulated capital allocation framework would give investors greater confidence in how cash is being used through the cycle.

We will continue to monitor developments closely.

PRINCIPLE 4. SIGNATORIES ACTIVELY EXERCISE THEIR RIGHTS AND RESPONSIBILITIES.

We regard voting as a core shareholder responsibility and seek to vote on all resolutions at our holdings' meetings. We do not rely on proxy advisers. The analyst covering each company assesses every resolution against our voting principles, which include board independence and diversity, protection of minority shareholder rights, remuneration aligned with long-term value creation and high standards on ESG matters, and the ESG Committee and Chief Investment Officer take the final decision. Our approach applies consistently across funds, asset classes and geographies, and is set out in full in Section C of our Policy and Context Disclosure.

Most resolutions address governance matters required under local listing rules, such as director elections, approval of reports and accounts, incentive plans, capital increases, reorganisations and M&A, and we vote on both management and shareholder proposals. We support capital increases only for legitimate financing purposes and vote against board recommendations wherever we believe this is in our clients' best interests.

Voting on Behalf of our Clients

Client securities are held in multiple countries and with multiple custodians and banks, which can constrain our ability to vote. Our voting is therefore subject to our contractual obligations with clients and to applicable local laws and regulations. We vote wherever possible and administratively feasible, unless clients instruct otherwise. Clients may direct voting in segregated accounts, and in some cases, such as the restructuring of an asset, we present our voting recommendations for their consideration.

We currently have no clients who direct voting themselves or require us to follow specific third-party voting recommendations, although we could accommodate such requests.

We record our voting instructions to custodians on every resolution.

Voting Summary Jan 1st, 2025 – Dec 31st, 2025

Equities

In 2025, we voted at the meetings of all holdings in our core strategies for which we held voting shares. We voted on a total of 921 resolutions at the AGMs of 50 companies (vs 45 AGMs in 2024) and voted against the board's recommendation on 33 occasions (vs 37 in 2024). We voted on 100% of shares for which voting rights were available during the year.

As in previous years, we voted on a wide range of governance related issues such as board elections and composition, executive remuneration, shareholder rights and governance structure, political spending and lobbying transparency. We also continued to vote on a range of environmental focused proposals (environmental disclosure on packaging material, GHG emissions, impact of data centres on climate commitments and biodiversity) and human rights issues (online safety for children and working conditions).

The number of social and environmental resolutions presented at AGMs fell from 47 in 2024 to 40 in 2025, a 15% decrease. We voted against the board's recommendation on 15 of these 40 resolutions (38%). We voted for both disclosure-based and action-based resolutions, as we believe both have a role to play in achieving better outcomes.

Type of Resolutions

All Resolutions	Number of Resolutions	Votes Against Management
Audit	**55**	**0**
Ratification	55	0
Board of Directors	**510**	**7**
Election	510	7
Capital	**89**	**0**
Preemptive Rights	1	0
Share Issuance	69	0
Share Repurchase	19	0
Compensation	**98**	**2**
Directors	35	1
Executive	63	1
Financial Statements	**54**	**0**
Approval	54	0
Governance	**38**	**3**
Compensation	1	0
Independent Chair	2	1
Policies	31	0
Political Activities	4	2
Meetings & Voting	**13**	**0**
AGM Related	13	0
Non-Financial Statements	**6**	**0**
Approval	6	0
Shareholder Rights and Defence	**18**	**6**
Special Meetings	6	2
Voting	12	4
Social and Environmental	**40**	**15**
Charitable Contributions	1	0
Consumer Issues	11	0
Diversity and Inclusion	5	0
Environment and Sustainability	9	8
Human Rights	10	3
Lobbying	4	4
Grand Total	**921**	**33**

Our full voting activity summary from the year 2025 is available at https://www.jsternco.com/sustainability.

Examples

In 2025, as in 2024, companies in the digital transformation space continued to be the subject of close shareholder scrutiny. This reflects the significance of these companies as large employers and their multi-faceted impact on broader society. Our support for selected resolutions reflects these considerations and is, in our view, an effective means of mitigating the associated long-term risks to our investments and encouraging change.

Alphabet

We continued to vote in favour of equal shareholder voting rights which we believe helps protect minority shareholder interests. We also supported two proposals on online safety for children, which remains a prominent theme: one on the alignment of lobbying activities with child safety policies, and one requesting a report on online safety for children.

Outcome: Although all of the resolutions were voted down, the one for equal shareholder voting rights received 30.6% support, the alignment of lobbying activities with child safety policies 5.2%, and the online safety for children report 9.3%.

Amazon

In 2025, we supported four shareholder resolutions against management, three of which had been raised in previous years. We believe consistent support is an important mechanism to encourage responsiveness to investor concerns and to evidence progress over time.

We backed resolutions requesting improved environmental reporting, including a report on packaging materials particularly the use of plastics and one on enhanced disclosures of Scope 3 GHG emissions in line with the GHG Protocol Corporate Standard. A new resolution this year requested additional reporting on the impact of data centres on climate commitments. We expect AI related issues to remain an area of increasing investor focus, as stakeholders seek to assess risks associated with the broader deployment of AI.

On social and governance issues, we have supported an identical proposal filed for the last four years, requesting a report on warehouse working conditions. We believe the repeated filing of the proposal highlights the issue's ongoing materiality, while continued shareholder support reinforces the need for sustained stakeholder engagement.

Outcome: All resolutions were voted down, and support fell for each repeat resolution, to 13.5% for packaging materials, 9.3% for Scope 3 emissions disclosure, and 22.3% for warehouse working conditions disclosure. The new proposal requesting additional reporting on the impact of data centres on climate commitments, received 20.0%, the highest among the environmental proposals, reflecting growing stakeholder interest in the relationship between AI data centres and environmental impact.

Examples (continued)

PepsiCo

We voted in favour of two resolutions at the AGM of PepsiCo requesting a report on risks related to biodiversity and nature loss, as well as a resolution on sustainable packaging policies for plastics. In a sector heavily dependent on agricultural resources and complex supply chains, these issues can have material long term financial impacts if not properly managed.

Outcome: Although both resolutions were voted down, they received meaningful shareholder support. The report on biodiversity and nature loss received 17.4% support and the sustainable packaging policies for plastics 15.3%. In our view, these levels warrant further consideration by the board.

Cadence Design Systems and Otis

We voted in favour of two resolutions requesting reports on political contributions and expenditure. We used the Center for Political Accountability's CPA-Zicklin Index, which assesses corporate transparency, board oversight and public disclosure of political and election related spending, to identify where companies could improve accountability.

Outcome: The proposals at Cadence Design Systems and Otis received 43.9% and 39.7% support, respectively, demonstrating strong investor backing and highlighting the importance investors place on transparency and accountability in corporate political spending.

Fixed Income Assets

As we invest in corporate bonds primarily through the secondary market, our stewardship focuses on reviewing transaction documentation before investing, assessing any proposed amendments to terms, and engaging with management to confirm that liquidity remains adequate. Where proposed terms would be less favourable than those on which we invested, we may give feedback to the company or steering group. Further detail is set out in Section C of our Policy and Context Disclosure.

Fixed Income

Tender offers allow companies to buy back outstanding bonds at a fixed price, typically at a premium to market, in order to reduce higher-cost debt or refinance. Participation is voluntary, but the terms are not negotiable.

In 2025, Majid Al Futtaim, held in our Emerging Market Debt Stars strategy, launched a tender offer to repurchase its 7.875% perpetual bonds, financed through a new perpetual issue priced at 5.75%. We analysed the offer and decided not to participate. We remain comfortable with Majid Al Futtaim's credit risk, and retaining the bonds allowed our clients to continue benefiting from the higher 7.875% coupon, compared with the 5.75% at which the company refinanced.

PRINCIPLE 5. SIGNATORIES INTEGRATE STEWARDSHIP CONSIDERATIONS INTO THEIR SELECTION AND OVERSIGHT OF EXTERNAL MANAGERS.

Our Multi-Asset Income Strategy complements direct investments in equities and fixed income with a small allocation to non-correlated assets, including third-party funds and investment trusts. This allocation has declined over time and, at 31 December 2025, represented 0.5% of our total AUM. In selecting funds, our due diligence covers the manager's investment approach and track record, as well as its operating practices and policies. Once invested, we monitor each fund's performance and risk profile on an ongoing basis and maintain a regular dialogue with its managers, which we view as central to discharging our stewardship responsibilities on behalf of our clients.

Outcomes

Our Multi-Asset Income Strategy holds a long-standing position in BioPharma Credit, an investment trust that provides financing to pharmaceutical and biotech companies, secured against royalties and sales from approved, marketed drugs. These royalty streams generate steady, highly visible cash flows. The trust distributes its income to shareholders, equivalent to a dividend yield of around 7% per annum and can make additional distributions from higher royalties or early loan repayment charges.

We engage regularly with the trust's management and met them three times in 2025: twice in group meetings and once one-to-one with senior management. We scrutinised the underlying portfolio exposures, liquidity, the pace of cash repayments and default rates. These discussions satisfied us that the trust could continue to cover its dividend and that loan repayments raised no concerns, and we maintained our position.

PRINCIPLE 6. SIGNATORIES MONITOR AND HOLD TO ACCOUNT STEWARDSHIP SERVICE PROVIDERS.

We do not use proxy advisers, investment consultants or external engagement service providers. Conducting voting and engagement in-house allows us to reach our own independent conclusions and ensures insights from each interaction feed directly into our investment decisions. This Principle therefore applies primarily to our research and data providers.

We use external research providers to complement our own views and maintain access to relevant data. All analysts in the investment team take part in an annual review of these providers, assessing the quality of research and access to resources such as conferences, corporate and expert events, and data sources. The aggregated results inform how we allocate resources across providers and the feedback we give them on improvements we wish to see.

Our specialist ESG data provider, ISS ESG, gives us access to a broader data set than our own research alone. We have used it to build a more granular view of investee companies' sustainability performance over time and against stated targets, continuing to expand the range of metrics we analyse. It also serves as an independent reference point against which we test our own assessments and conclusions.

Alongside our annual review, we continued to assess the wider ESG data market, trialling several third-party providers. AI-based systems are becoming increasingly prevalent and offer the potential for broader and more timely coverage, but in our assessment data quality and reliability remain a concern.

Outcomes

In 2025, we did not experience a situation where a research service provider failed to meet our expectations. ESG data, however, continues to evolve, reflecting both improved corporate disclosure and enhanced modelling by data providers. We therefore continued to work with our dedicated ESG data provider to verify the data on its platform against our own assessments and to understand how changes in modelling affect the progression of company data over time.

J. Stern & Co. provides this document for information only. The information provided should not be relied upon as a recommendation to purchase any security or other financial instrument, nor should it be considered as a form of investment advice or solicitation to conduct investment business. The views expressed from the date of publication are those of J. Stern & Co. and/or the actual author(s) and are subject to change without notice.

It is intended only for "professional clients" and "eligible counterparties" (as defined by the Markets in Financial Instruments Directive ("MiFID")) or in the USA by "accredited investors" (as defined in the Securities Act of 1933) or "qualified purchasers" (as defined in the Investment Company Act of 1940) as applicable.

Information within this document has been obtained from sources believed to be reliable at the date of publication, but no warranty of accuracy is given. The value of any investment can fall as well as rise; past performance is not a reliable indicator of future results; and returns may increase or decrease as a result of currency fluctuation. Data Sources may include Wize, FactSet, Bloomberg, Thomson Reuters and J. Stern & Co. itself.

J. Stern & Co. includes J. Stern & Co. LLP, Star Fund Managers LLP, J. Stern & Co (Switzerland) AG, J. Stern & Co., LLC and J. Stern & Co. Limited. J. Stern & Co. LLP and Star Fund Managers LLP are both authorised and regulated by the Financial Conduct Authority. J. Stern & Co. LLP and J. Stern & Co., LLC are both registered investment advisers with the Securities and Exchange Commission. SEC registration does not constitute an endorsement of the firm by the SEC nor does it indicate that the advisor has attained a particular level of skill or ability. J. Stern & Co (Switzerland) AG is licensed by FINMA as a portfolio manager, subject to OSFIN supervision and affiliated with the OFD Association. J. Stern & Co. Limited is authorized and regulated by the Malta Financial Services Authority. Where relevant, J. Stern & Co. LLP and/or J. Stern & Co Limited have approved it for distribution.

More information on J. Stern & Co. can be found at www.jsternco.com/legal, including our privacy notice, other regulatory disclosures and registered office information.

© J. Stern & Co.